

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

RATE ADJUSTMENT OF SOUTH)
KENTUCKY RURAL ELECTRIC) CASE NO. 8930
COOPERATIVE CORPORATION)

O R D E R

IT IS ORDERED that South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") shall file an original and eight copies of the following information with the Commission, with a copy to all parties of record by March 15, 1984. Each copy of the data requested should be placed in a bound volume with each item tabbed. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Careful attention should be given to copied material to insure that it is legible. South Kentucky shall furnish with each response the name of the witness who will be available at the public hearing for responding to questions concerning each area of information requested. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. South Kentucky in its balance sheet, Adjustment No. 2 has reduced its investment in United Utility Supply and KAEC to zero value. It is stated that this was done due to the inability of these organizations to redeem the allocated capital credits. The Commission, in Case No. 8778, The Adjustment of Rates of Salt River Rural Electric Cooperative Corporation, stated that it is not convinced that these capital credits will never be paid or that they have no value. Provide all information or arguments available to South Kentucky in support of its adjustment.

2. In Exhibit J, Adjustment No. 12, concerning the computer expense reduction, software charges are projected at \$14,400 annually. Please explain why the expense for the purchase of software would continue to be \$14,400 annually after the software for the consumer billing application, the principal use of the computer, was purchased.

3. Supplies expense for the computer is estimated at \$18,000 in Adjustment No. 12, page 38 of 50, while on the following page, Item No. 9 shows estimated computer supplies of \$12,000. Please clarify this discrepancy.

4. Provide a copy of the wage and salary administration plan referred to in Response to Commission Request No. 2, Item No. 11.

5. Identify the total expense of the following advertisements shown in Exhibit 9. List the expense for each advertisement separately:

- a) Radio message - Exhibit 9, page 11.
- b) End use survey - Exhibit 9, page 12.

6. As of April 30, 1983, the close of the test period in this case, South Kentucky had an equity ratio of approximately 37 percent after removal of accumulated generation and transmission capital credits. Given the equity level attained, what consideration has South Kentucky given to beginning the general rotation of capital credits to its members?

7. In response to Item No. 16 of Staff Information Request No. 2, South Kentucky stated that a composite depreciation rate of 3 percent was used for Distribution Plant.

Furnish workpapers showing how this 3 percent rate was calculated.

8. Provide copies of all cost of service or cost analyses used to determine the following proposed rate structures:

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| a) Residential, Farm and Non-Farm Service | Schedule A |
| b) Residence with Controlled Water Heater | Schedule WH |
| c) Energy Efficient Residence | Schedule EER |

9. Provide electric water saturation data for current residential customers who would qualify for Residence With Controlled Water Heaters Tariff.

10. Provide workpapers used in deriving the .7 monthly kilowatt savings per customer on the Residence With Controlled Water Heaters Tariff.

11. If available, provide estimate of number of current customers eligible for Energy Efficient Residence Tariff.

12. If available, provide estimates of residential demand elasticity or elasticities used in designing three-step delivery block rate for residential customers.

13. If available, provide load information for the residential class of customers for 1982 and 1983. Otherwise provide any residential load information used in designing Controlled Water Heaters Tariff, Energy Efficient Residence Tariff and three-step rate for residential customers.

14. Provide either studies or data which demonstrate that three-step declining block rate tracks South Kentucky's cost of service for residential class of customers.

Done at Frankfort, Kentucky, this 6th day of March, 1984.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary